

RIL, Vedanta, Adani join rare earth drive

Reuters

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NEW DELHI: Indian industrial groups Reliance, Vedanta and Adani have shown interest in developing facilities to process Andhra Pradesh state's significant reserves of increasingly important rare-earth minerals, according to two sources with knowledge of the matter.

With New Delhi seeking to cut India's dependence on China for rare earths, the three companies are among about 10 who have expressed interest in setting up rare earth facilities in the southern state, one of the sources said.

The sources declined to be identified as they were not authorised to speak to the media.

Andhra Pradesh holds 211 million metric tonnes of beach sand mineral resources, including rare earths, across 16 identified coastal deposits, according to a draft document. India has 482.6 million tonnes of rare earth ore resources, according to the Geological Survey of India.

RARE EARTH AMBITIONS

The interest comes as New Delhi steps up efforts to build



India has 482.6 mn tonnes of rare earth ore resources. REUTERS

domestic rare earth mining, processing and magnet manufacturing capacity, while Andhra Pradesh aims to attract ₹50,000 crore (\$5.2 billion) in rare earth and titanium investments over the next decade.

The plans were set out in a draft government document.

The Andhra Pradesh government, Reliance Industries Ltd, Vedanta Ltd and Adani Enterprises Ltd did not respond to *Reuters* emails seeking comment.

Andhra Pradesh was among four states identified in February's federal budget for the development of rare earth "corridors" covering mining, processing and magnet production.

The initiative followed New Delhi's approval in November of a ₹7,300 crore programme to support rare earth magnet manufacturing.

Rare earth elements are essential for permanent magnets used in applications such as electric vehicle motors. While India holds substantial rare earth reserves, it lacks industrial-scale facilities capable of processing the minerals to high purity levels.

CAPITAL INCENTIVES AND OTHER MEASURES

Andhra Pradesh plans to issue tenders for rare earth facilities after securing cabinet approval for its rare earth corridor policy, which is expected within a month, the sources said.

The state also plans to offer capital-linked incentives and additional benefits for projects with investments of 10 billion rupees or more, the sources said.

Andhra Pradesh has been courting large-scale investments, attracting companies including Google and Arcelor-Mittal Nippon Steel, and aims to secure \$1 trillion in investment commitments by 2029, a state minister told *Reuters* last November.